### Contract Number CPA 03-006

### **Request for Proposal (RFP)**

# RELIABILITY RESERVE POWER AND GENERATION SERVICES



STATE OF CALIFORNIA
CONSUMER POWER AND CONSERVATION FINANCING AUTHORITY
August 6, 2003

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#### **SECTION I - ADMINISTRATIVE REQUIREMENTS**

#### A. TIME SCHEDULE

All respondents to this Request For Proposal are hereby advised of the following schedule and will be expected to adhere to the specified performance requirements.

1.	Request for Proposal (RFP) package mailed	08-08-2003
2.	Proposal package received by 3:00 PM	08-22-2003
3.	Proposal review by evaluation committee	08-25-2003
4.	Post intent to award notice	08-25-2003
5.	Final day to file a protest	09-01-2003
6.	Award of contract to successful respondent	09-02-2003
7.	Contract start date, subject to Dept. of General Services approval	09-02-2003
8.	Termination of contract	<u>09-01-2005</u>

#### B. CONTACTS BETWEEN RESPONDENTS AND STATE

RFP respondents may contact the California Power Authority (CPA) for additional information regarding the RFP by calling Tara Dunn at (916) 651-9750. Any questions, which, in the judgment of the Contracts Office materially alter the RFP requirements, must be in writing and answers will be provided to all respondents in writing.

#### C. SUBMISSION OF PROPOSALS

- 1. An original and four copies of the following documents must be submitted:
  - a. Provide the name, address (email and postal), telephone number and fax number of the primary contact for the proposal.
  - b. Current resume for the person to provide the proposed Reliability Reserve Power and Generation Services, who meets qualifications listed in Section III(C).
  - c. Narrative addressing the requirements laid out in Section III(E).
- 2. Complete, sign and date the Proposal Form (page 13).
- 3. The above specified items, Numbers 1 and 2, constitute your proposal and must be submitted in a sealed envelope. The sealed envelope must be plainly marked with your name and address, the above contract number (<u>CPA 03-006</u>) and title (<u>Reliability Reserve Power and Generation Services</u>), and must be received by 3:00 <u>PM on August 22, 2003</u>. Mail or deliver to:

#### California Power Authority Contracts Office 901 P Street, Suite 142A Sacramento, CA 95814

- 5. Proposals and modifications or corrections thereof received after the closing time specified will <u>not</u> be considered.
- 6. ONLY PROPOSALS SUBMITTED ON THE PROPOSAL FORM FURNISHED BY THE CPA WILL BE CONSIDERED. The proposal must be printed in ink or typewritten. No erasures are permitted. Errors may be crossed out and corrections printed in ink or typewritten adjacent to the error and the correction must be initialed in ink by the person signing the proposal.
- 7. A proposal may be rejected if conditional, incomplete, or it contains any alterations of form or other irregularities of sufficient magnitude or quantity to warrant a finding of being substantially non-compliant.
- 8. The State may accept or reject any or all proposals and may waive any immaterial defect in a proposal. The State's waiver of an immaterial defect shall in no way modify the proposal requirements or excuse the respondent from full compliance with the objective if awarded the contract.

#### D. REJECTION/DISQUALIFICATION

The following shall cause the immediate rejection or disqualification of a proposal:

- 1. Any proposal not received at the time and place specified in the RFP.
- 2. Any proposal not plainly marked with the name and address of the submitting organization/individual and the contract number and title when such omission results in either a premature or delayed opening of the proposal and potentially compromises the integrity of the competitive process.
- 3. Failure to use and sign the "Proposal Form" provided by the State.
- 4. Substantial noncompliance with RFP requirements. FPPC Form 700 (see Section III. C. below) is required because an RFP respondent may be disqualified or not selected because the respondent's ownership, interest in, or contract relationship or other relationship with an entity may disclose a conflict of interest or an incompatible activity incompatible with the CONTRACTOR'S performance obligations under the contract.
- 5. Substantial non-responsiveness to programmatic requirements.
- 6. Any proposal received from a CONTRACTOR who has had a contract canceled by the State due to negative performance.

#### E. DEFINITIONS

An immaterial defect is a flaw, incompletion, defect or condition in a proposal that is not of the type to warrant disqualification of the proposal. If the proposal is found to contain a substantial number of such defects, the State may declare the proposal to be substantially non-compliant and reject it.

#### F. NONDISCRIMINATION COMPLIANCE STATEMENT

The prospective contractor's signature affixed herein and dated shall constitute a certification, under the penalty of perjury under the laws of the State of California, that the respondent has, unless exempted, has complied with the nondiscrimination program requirements of Government Code Section 12990 (a-f) and of Title 2, California Code of Regulations, Section 8113.

#### G. DVBE REQUIREMENTS

The Disabled Veteran Business Enterprise (DVBE) requirements have been waived for this solicitation.

#### H. CONTRACT AWARD PROCESS

A small business preference of five percent (5%) is granted to businesses that have an approved certification form (OSMB 11) on file with the Department of General Services, Office of Small Business Certification and Resources by 5:00 p.m. on the date proposals are due, or submit a copy of OSBCR certification with your proposal.

The preference is an amount equal to five percent (5%) of the cost proposal of the highest scored responsible RFP respondent, <u>IF</u> the highest scored responsible RFP respondent is not certified as a small business. The small business respondent's cost proposal is rescored by deducting the five (5%) percent preference, if the rescored cost proposal changes the small business respondent's proposal's total points to an equal or higher score of the highest scored responsible RFP respondent, then the proposal shall be awarded to the small business. In no event shall the cost of the small business preference exceed the sum of \$50,000 for any proposal.

The contract shall be awarded to the highest-scored responsible RFP respondent meeting the specifications. The score includes points awarded for price. The highest scored responsible RFP respondent meeting the specifications is one who:

- 1. Has complied with all respondent requirements.
- 2. If a corporation, is qualified to do business in and has an office in California.
- 3. If a past CONTRACTOR with the State, has satisfactorily fulfilled all contract requirements.

Prior to actual award of the contract, a Notice of Intent to Award will be posted within the CPA Main Office located at 901 P Street, Suite 142A in Sacramento, California for a period of five (5) working days.

#### I. PROTEST PROCEDURES

- 1. If, prior to the award, any RFP respondent files a protest with the CPA and Department of General Services against the awarding of the contract on the grounds that he or she is the highest scored responsible RFP respondent meeting the specifications for the contract, the contract shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. (Public Contract Code Section 10343.)
- 2. Protests must be received at each of the addresses stated below not later than five (5) working days after the "Notice of Intent to Award" has been posted.

California Power Authority Contracts Office 901 P Street, Suite 142A Sacramento, CA 95814 Department of General Services Office of Legal Services 1325 J Street, Suite 1911 Sacramento, CA 95814

3. Within five (5) calendar days after filing the protest, the protesting RFP respondent must file with the CPA and Department of General Services a full and complete written statement specifying the grounds for the protest. Certified or registered mail must be used.

#### **SECTION II - GENERAL OVERVIEW**

This RFP is offered to enable the California Consumer Power and Conservation Financing Authority (the "CPA") to contract for RELIABILITY RESERVE POWER AND GENERATION SERVICES.

#### A. PURPOSE OF THE RFP

The purpose of this RFP is to invite qualified individuals, public and private organizations to submit a proposal and documentation demonstrating the ability to perform duties essential to the evaluation, development, and management of power projects which may be developed by the CPA to meet the needs of the California electric system. The individual or individuals will be part of the CPA's power project development team.

The CPA seeks a consultant(s) who can provide services in support of CPA's reliability reserve power and generation projects.

This RFP covers services to be performed from September 2, 2003 through September 1, 2005.

#### B. BACKGROUND

The CPA was created by Senate Bill 6 in the First Extraordinary Session (SB6X) enacted on May 16, 2001. The CPA's mission is to help assure an adequate and reliable energy supply for the state through power supply and conservation investments that will result in a reliable supply of electricity, along with just and reasonable rates for the consumer. More information on the CPA's mission and activities can be found on the CPA's website located at <a href="http://www.capowerauthority.ca.gov">http://www.capowerauthority.ca.gov</a>.

The Power Authority continues to focus on a variety of power generation projects which are needed to help increase the statewide reserve margin to an adequate level to ensure reliability and reduce price volatility. Among the reliability reserve options currently underway or being considered are:

- A reliability reserve peaking capacity initiative to obtain up to 300 MW of new efficient additional peaking reserves under Authority ownership and to provide power at cost for California's electricity consumers.
- CPA financing of needed baseload capacity in reliability-constrained areas, e.g., in the San Diego region (the Otay Mesa plant being developed by the Calpine Corporation)
- Facilitation of peaking capacity projects in the critically reliability-constrained areas of San Francisco and Fresno County; projects are currently under development and anticipated to provide power to the California Department of Water Resources

The Power Authority has an investment plan that targets power project development projects that would be financed with CPA revenue bonds. A critical element of any

project financing with revenue bonds is a long-term power purchase agreement, and the CPA currently is working with both the California IOUs and the CPUC to develop financeable projects.

#### **SECTION III - REQUIREMENTS**

This section comprises the Requirements for which a proposal is to be submitted by the RFP respondent. The CONTRACTOR shall comply fully with all requirements as outlined below.

#### A. GOALS

To contract with a qualified individual(s) who adequately fulfills the reliability reserve power and generation project needs of the California Consumer Power and Conservation Financing Authority.

#### **B.** STATEMENT OF WORK

CONTRACTOR will serve as a key advisor of the CPA's power project development team. The CONTRACTOR will take lead responsibility in providing strategic and policy advice to support the evaluation, development and management of reliability reserve power and generation projects for the CPA.

Specific responsibilities:

- 1. CONTRACTOR will be responsible for advising the Chief Executive Officer and other senior management staff with regard to opportunities, strategies, mechanisms and implementation details appropriate to developing the reliability reserve power and generation projects targeted by the Authority.
- 2. CONTRACTOR will be responsible for advising and supporting the necessary technical due diligence associated with ensuring that qualified projects can be developed and financed (when appropriate).
- 3. CONTRACTOR will be responsible for structuring the transactions and coordinating the necessary documents and details with other financial, legal, technical, and management professionals necessary to successfully develop and finance reliability reserve power projects. In this capacity, CONTRACTOR may be responsible for negotiating contracts on behalf of the CPA which would be subject to CPA Board approval.

**Hours:** The CONTRACTOR shall perform the work on an hourly basis (typically not to exceed 80 hours monthly) for a total *not less than* 480 and *not to exceed* 960 hours during any twelve (12) months within the term of the contract.

**Travel and Related Expenses:** The CONTRACTOR shall be reimbursed up to \$2500.00 for any travel or related expenses calculated at standard State rates during the term of this contract.

Conflicts of Interest: No appointed Member or staff (including designated consultants) shall own any stock in, or receive any gift from, any energy company on the monthly list provided by staff of those who have contracts with the Authority or who have submitted proposals, offers or proposals for contracts for projects within the preceding twelve months. The term "gift" shall have the meaning used by the Political Reform Act. Each contractor is required to submit to the General Counsel a Form 700 available from the Fair Political Practices Commission, which will be kept on file at the CPA.

Note: The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and based upon the description, a statement of the extent of the disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

**Statement of Incompatible Activities:** These standards shall apply to all officers and employees of the Authority, designated employees on loan to the Authority from other State agencies; all consultants retained by the Authority and designated contractors (hereafter "staff"). For those contracts designated as subject to the Authority's Statement of Incompatible Activities, the contract shall provide that any violation of this Code of Ethics may, in the Authority's discretion, be grounds for termination of the contract.

This Statement does not attempt to specify every possible limitation on the activities of Members and staff that might be determined incompatible under Government Code section 19990. Nothing in this Statement shall exempt any person from applicable provisions of any laws of this State.

No employment, activity, or enterprise shall be engaged in by any Member or staff which might result in, or create the appearance of resulting in, any of the following:

- a. Using the prestige or influence of the Authority for the individual's private gain or advantage, or the private gain or advantage of another.
- b. Using State time, facilities, equipment or supplies for the individual's private gain or advantage, or the private gain or advantage of another.
- c. Using confidential information acquired by virtue of State involvement for the individual's private gain or advantage, or the private gain ort advantage of another.
- d. Receiving or accepting money or any other consideration from anyone other than the State for performance of an act which the individual would be required or expected to render in the regular course of his or her State employment or contract, or as a part of his or her duties as a State officer, employee or contractor.

e. Performance of an act in other than his or her capacity as a Member or staff knowing that such an act may later be subject, directly or indirectly, to the control, inspection, review, audit or enforcement by such individual or the Authority.

**Knowledge:** The CONTRACTOR shall have knowledge and understanding in the following subject areas:

- a. Thorough understanding of project development issues and solutions surrounding successful project implementation.
- b. Significant power project experience performing due diligence and evaluation of competing opportunities.
- c. Experience at senior management level in power plant development, including siting, permitting, negotiating EPC and O&M agreements, and financing.
- d. Detailed understanding of the regulatory and administrative roles, operations and functions of the California Public Utilities Commission, the California Energy Commission, the California Independent System Operator (CAISO) and other agencies in California involved in power project permitting and development.
- e. Broad knowledge and understanding of WECC and CAISO reliability requirements and standards.

#### C. MINIMUM QUALIFICATIONS

The CONTRACTOR shall have an undergraduate degree in the field of engineering, and a graduate degree in the field of engineering, business or finance.

The CONTRACTOR may substitute two (2) years of additional work experience beyond that indicated below in the subject areas set forth in Section 7 (KNOWLEDGE) in lieu of the indicated graduate degree.

The CONTRACTOR also shall have experience consisting of direct personal responsibility for services or activities, which include at least five (5) years in at least three (3) of the subject areas, set forth in Section III (B) [KNOWLEDGE] above. Highly desirable experience includes:

- 1. Direct experience working on power project identification, siting, evaluation and development in California.
- 2. Demonstrated ability to successfully bring power projects through a public approval process.
- 3. Initiative in identifying opportunities, and conducting creative, timely problem solving.
- 4. Demonstrated ability to quickly qualify successful developers and projects.
- 5. Self-starting work style.
- 6. Excellent verbal and written communication skills.

#### D. DELIVERABLES

The CONTRACTOR shall submit reports on a monthly, and/or as needed basis, as specified by the CPA. These reports shall include but not be limited to:

- 1. Progress toward meeting identified performance objectives.
- 2. Description of the status of all prospective CPA power projects, including progress toward structuring and executing project development support documents and materials for qualifying projects.
- 3. Progress made in identifying any additional qualified projects for Authority financing, assessment and recommendation of any newly identified market opportunities that the Power Authority ought to consider to further the Authority's mission.
- 4. Participation at Board and other meetings related to above by telephone or attendance, as directed by CEO.
- 5. Number of hours worked by CONTRACTOR, description of the work performed, and explanation of any significant departure from normal work hours.

#### E. PROPOSAL NARRATIVE REQUIREMENTS

*Please provide all of the following:* 

- 1. Please provide a brief (one or two paragraph) narrative on each of the topics listed below (total narrative should be five pages or less exclusive of attachments):
  - a. Description of relevant educational background;
  - b. Description of related experience in evaluating and developing power projects in California
  - c. Description of due diligence experience for project investment;
- 2. As an attachment provide at least one example each of written work related to:
  - Narrative explanation of previous power project development experience
  - Presentation (briefing format) review of a proposed power project
- 3. Please provide a listing of at least two professional references; it is preferable that at least one reference be a state or local government contact;
- 4. Please provide a description of how you propose to meet the CPA's needs addressed in the Section III (A-C);
- 5. Please provide an all-inclusive hourly rate, taking into account the provisions laid out in Section III. THIS DOES NOT SUBSTITUTE FOR INCLUDING THE TOTAL COST INFORMATION INDICATED IN THE REQUIRED PROPOSAL FORM (ATTACHED);

\$ (Hourly Ra	ate) x 960 (	(Minimum	Total Ho	urs for 2	year term) =	= \$

5	S	(Hourly	Rate)	x 1920	(Maximum	Total	Hours	for 2 yea	ar term)	=

\$	
Total Travel Budget =	\$2500.00
Other additional amount = (Please justify additional amount b	\$elow)
Total Cost of Proposal =	\$

Please provide a justification for any additional amount added to the total after the hourly rate and travel budget:

6. Any additional information the respondent would like to add;

### SCORING CRITERIA

(100 Total possible points)

	CRITERIA	Maximum Points
1)	Description of relevant educational background.	10
2)	Description of related experience in evaluating and developing power projects in California.	15
3)	Description of due diligence experience for project investment.	15
4)	Examples of written work products that exemplify both a narrative explanation of previous power project development experience, and presentation (briefing format) review of a proposed power project.	10
5)	Listing of at least two professional references (It is the CPA's preference that at least one reference be a state or local government contact).	5
6)	Proposed approach to meeting the CPA's needs addressed in the Section III, A-C.	15
7)	Total Cost (included on Proposal Form with original signature).	30
	TOTAL POINTS	100

## STATE OF CALIFORNIA CONSUMER POWER AND CONSERVATION FINANCING AUTHORITY

#### PROPOSAL FORM

CONTRACT: CPA 03-006

**Due: 3 PM on August 22, 2003** 

#### RFP - RELIABILITY RESERVE POWER AND GENERATION SERVICES

The undersigned respondent hereby proposes to provide the services specified in

SECTION III of this RFP:

It is understood that the contract will consist of the Standard State Agreement (std 213). Exhibit "A" of the contract will be developed based on CONTRACTOR's proposal as well as departmental requirements outlined within this RFP. Samples of the Face Sheet, EXHIBITS "B", "C" and "D" can be viewed at: http://www.ols.dgs.ca.gov/Contracting+Info/formsandinstructions.htm

Awards made pursuant to this RFP will be initiated in Fiscal Year 2003-04 contingent upon the Legislature appropriating sufficient funds in the Budget Act for the fiscal year and upon satisfactory completion of the terms and conditions specified herein.

09/02/2003 to 09/01/2005

**Service Period:** 

	for the contract period of 24 months.	
Authori	zed Signature	Ι
	Print Signer's Name and Title	
	nd Address of Organization	

Telephone Number of Organization

Federal Identification #/Social Security #